

# TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman  
Lynn Greer, Director  
Sara Kyle, Director



RECEIVED  
REGULATORY DIVISION  
APR 13 1999  
EXECUTIVE SECRETARY

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

April 13, 2000

Mr. Ware F. Schiefer, President  
Piedmont Natural Gas Company, Inc.  
P. O. Box 33068  
Charlotte, NC 28233

Re: Docket No. 99-00994

Dear Mr. Schiefer:

To further the Staff's analysis of the reasonableness of the rates filed December 30, 1999 by Nashville Gas Company, we request that you furnish six copies of the information itemized in the attachment to this letter titled, Staff Request April 13, 2000.

Please comply with the following instructions for compiling the data requested:

1. Each copy of the data requested should be placed in a loose-leaf binder with each item tabbed. Each response should begin by restating the item(s) requested.
2. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6.
3. Careful attention should be given to copied material to insure that it is legible.

If there is a need for clarification of this request, please contact Michael Horne at (615) 741-2904, extension 174 before furnishing the response. Please furnish the requested information by April 26, 2000.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Waddell", is written over the word "Sincerely,".

David Waddell  
Executive Secretary

99-00994/SR-6

## Attachment

cc: Ted G. Pappas  
Jerry W. Amos  
Michael Horne  
Legal Division  
Consumer Advocate Division  
Pat Murphy  
David McClanahan

POSTED  
4-14-00

# NASHVILLE GAS COMPANY

## STAFF REQUEST

April 13, 2000

96. Please provide a detail trial balance for the twelve months ended August 31, 1999 by month for the expense accounts 84000 through 93230. Transactions to be included are accounts payable for the Tennessee Direct expenses.
97. In Staff Data Request number 55, we requested the questions submitted by the CAD in conjunction with this case. Provide copies of the responses you supplied to the CAD for the following questions, plus any follow up questions to clarify or provide additional information to the questions. The following Question numbers are taken from the list you provided in response to our Data Request No. 55:

<u>Expenses</u>	<u>Revenues</u>	<u>Rate Base</u>
#23	#10	#108
#31	#13	
#34	#15	
#35	#16	
#38	#17	
#96 (regarding pension exp.)	#18	
#97	#96 (addressed to Bill Morris-	
#101	follow-up to ques. No.	
#102	10, 15, 16, 18)	
#104		
#105		
#106		
#107		
#113		
#114		
#115		
#116		
#117		
#118		

98. Exhibit (CWF-5), Rate Schedule 1 & 2 – Air Conditioning Rider, shows a discount applies to summer air conditioning usage. Provide a calculation showing the number of customers, total therms used, number of therms receiving the discount, and the total by rate schedule for the test year.
99. Provide an analysis of the actual number of days in each billing cycle for each month beginning with September 1, 1998 – August 31, 1999.
100. In the testimony of Bill Morris (pages 4-5) you discuss the Special Contract customers. You proposed to handle the revenue from the contract customers through an Incentive

Tracking Mechanism. Provide a detailed explanation of how this mechanism will be applied. Include information on how the mechanism will work, what the benefits to the Special Contract customers are and how NGC and the other NGC customers will benefit. Explain how the 90%/10% incentive was determined. What was the basis for the percentages?

101. Will the Incentive Tracking Mechanism be applied to all special contract customers and will it also be applied to any future special contract customers?
102. In the testimony of Mr. Morris (page 12), you discuss a proposed change in the "Main Extension Policy." Provide a detailed explanation of the policy, compare the current policy to the proposed policy by showing examples of how the changes will affect each customer class. Provide the orders, and testimony or tariff provisions, approving the policies by the North Carolina Utilities Commission and the Public Service Commission of South Carolina.
103. In the testimony of Mr. Morris (page 12), you propose to eliminate the preference given to Company employees under the existing main extension policy. Provide the additional revenue associated with eliminating this policy.
104. In the testimony of Mr. Fleenor (page 3), you discuss the Attrition Period Growth Adjustment and you list patterns and projections utilized to formulate the growth adjustment. Provide details on each of the determinants and show how each contributed to the total growth projections. Provide the calculations showing the growth estimates you used and how these projections are consistent with Authority approved practices.
105. As a follow up to TRA Staff Data Request No. 2, Questions 61, we requested the units and rates for certain other revenue items. Provide the Test Year Units and Adjustments to the Test Year Units with the present and proposed rates for the following:
  - Reconnection Charges
  - Broken Lock Charges
  - Turn On Charges
  - Bad Check Charges
106. In the testimony of Mr. Fleenor (page 3), you discuss the calculation of current revenues, using the tariff rates effective 10/01/99 "without any temporary rate adjustment." Explain the rationale for removing the ACA and IPA factors for the current rates.
107. Please forward a copy of your Trial Balance **by month**, for all the months of the test period except August 1999, which you have already sent. This is **beginning and ending balances** for each month without activity.
108. Please explain why \$20,000 was chosen as the account balance in the refund account when you have much larger daily balances each day. In fact, the balance at 8/31/99 is \$4,640,000. What is the reasoning behind this assumption? Why would it not be included in operating funds and calculated the same way as the other cash accounts, in so far as cash enters into working capital and thus rate base?

109. On PLT-22, the depreciation is calculated for "Joint Property Allocated to Tennessee". The depreciation expense appears to be higher, particularly when compared to other classes and also higher when an average of the test year is used. Please explain.